

Duchesne County Area Chamber of Commerce

ANNUAL FINANCIAL REPORT WITH A GOVERNMENTAL REPORT

For the Year Ended December 31, 2008 and 2007

Duchesne County Area Chamber of Commerce

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AYCOCK, MILES & ASSOCIATES, CPAs, P.C.

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Independent Auditors' Report

To the President and Board Members
Duchesne County Area Chamber of Commerce

We have audited the accompanying statement of financial position of the Duchesne County Area Chamber of Commerce (a nonprofit organization) as of December 31, 2008 and 2007, and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of the Chamber's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Duchesne County Area Chamber of Commerce as of December 31, 2008 and 2007, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated May 29, 2009 on our consideration of Duchesne County Area Chamber of Commerce's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Aycock, Miles & Associates, CPAs

May 29, 2009

FINANCIAL STATEMENTS

Duchesne County Area Chamber of Commerce
STATEMENT OF FINANCIAL POSITION
December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Current Assets		
Cash in checking	\$ 225,966	\$ 163,974
Cash in savings	44,113	44,052
County funding receivable	44,151	51,518
Accounts receivable	<u>-</u>	<u>-</u>
Total Current Assets	314,230	259,544
Non-Current Assets		
Transportation equipment	9,789	9,789
Office equipment and Furniture	58,225	47,004
Less: accumulated depreciation	<u>(38,491)</u>	<u>(29,515)</u>
Total Non-Current Assets	<u>29,523</u>	<u>27,278</u>
Total Assets	<u>\$ 343,752</u>	<u>\$ 286,822</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 8,394	\$ 5,425
Accrued payroll payables	<u>5,341</u>	<u>4,041</u>
Total Current Liabilities	13,735	9,466
Non-Current Liabilities	-	-
Net Assets:		
Unrestricted	330,017	277,356
Temporarily restricted	-	-
Permanently restricted	<u>-</u>	<u>-</u>
Total Net Assets	<u>330,017</u>	<u>277,356</u>
Total Liabilities & Net Assets	<u>\$ 343,752</u>	<u>\$ 286,822</u>

Duchesne County Area Chamber of Commerce
STATEMENT OF ACTIVITIES
For the Years ending December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CHANGES IN UNRESTRICTED NET ASSETS:		
Revenues and gains:		
Transient room & restaurant tax from Duchesne County	\$ 209,054	\$ 188,863
Dues from membership	11,083	13,008
Contribution from Duchesne County	45,000	45,000
Program services	8,843	6,233
Gain on sale of equipment	-	2,500
Miscellaneous	7,371	1,045
Interest Income	<u>205</u>	<u>355</u>
Total unrestricted revenues and gains	281,555	257,003
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>41,532</u>	<u>29,635</u>
Total unrestricted revenues, gains, and support	323,087	286,638
 Expenses and losses:		
Promotional	152,550	139,372
County economic development	86,917	88,140
Program management	<u>30,960</u>	<u>30,653</u>
Total expenses and losses	<u>270,427</u>	<u>258,164</u>
Increase/(decrease) in unrestricted net assets	52,660	28,474
 CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:		
Contributions and special programs:		
Basin Arts, Wagoneers, Holly Fair, and building fees	40,115	26,730
Welcome Center	1,417	2,905
Net assets released from restrictions by payments	<u>(41,532)</u>	<u>(29,635)</u>
Increase/(decrease) in temporarily restricted assets	-	-
 CHANGES IN PERMANENTLY RESTRICTED NET ASSETS:		
Net assets released from restrictions	<u>-</u>	<u>-</u>
Increase (decrease) in permanently restricted assets	<u>-</u>	<u>-</u>
 Increase/(decrease) in total net assets	52,660	28,474
 Net assets at beginning of year	<u>277,356</u>	<u>248,882</u>
Net assets at end of year	<u>\$ 330,017</u>	<u>\$ 277,356</u>

Duchesne County Area Chamber of Commerce
STATEMENT OF CASH FLOWS
For the Years Ending December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from dues of membership	\$ 11,083	\$ 13,008
Cash received from contributions	1,417	2,905
Cash received from County funding	261,421	226,406
Cash received from program services	48,958	32,963
Cash received from other income	7,371	3,545
Interest received	205	355
Cash paid to employees for wages & benefits	(125,093)	(104,167)
Cash paid to vendors and suppliers	(132,088)	(145,070)
Interest paid	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	73,274	29,945
 CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of equipment	<u>(11,221)</u>	<u>(14,755)</u>
Net cash provided by (used in) investing activities	(11,221)	(14,755)
 CASH FLOW FROM FINANCING ACTIVITIES:		
No activity	<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	62,053	15,190
 Cash Balance, Beginning of Year	<u>208,026</u>	<u>192,836</u>
Cash Balance, End of Year	<u><u>\$ 270,079</u></u>	<u><u>\$ 208,026</u></u>
 RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Net income (loss)	\$ 52,660	\$ 28,474
Adjustments to reconcile net income (loss) to net cash provided by (used in) in operating activities:		
Depreciation	8,976	4,712
Change in assets and liabilities:		
(Increase) decrease in accounts receivables	7,367	(7,456)
Increase (decrease) in accounts payable	2,969	2,889
Increase (decrease) in accrued payroll and related items	<u>1,302</u>	<u>1,326</u>
Net cash provided by (used in) operating activities	<u><u>\$ 73,274</u></u>	<u><u>\$ 29,945</u></u>

Duchesne County Area Chamber of Commerce
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Business Entity—Duchesne County Area Chamber of Commerce is a nonprofit corporation which represents business entities in the Duchesne County area. The Chamber promotes business and tourism in Duchesne County (approximately 15,500 residents). The Chamber was given its nonprofit status on March 4, 1993. The Chamber encourages registered businesses to pay dues, collects contributions, and restaurant and transient room tax for revenues. Some of the programs or events designed to promote tourism charge fees in order to cover the costs of that particular program.

Cash and Cash Equivalents—The Chamber considers time deposits, certificates of deposits, and all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Method of Accounting—The Chamber uses the accrual method of accounting which is in accordance with generally accepted accounting principles. Therefore, revenues are recorded when they are earned not received, and expenses are recognized when they are incurred, not necessarily when they are paid.

Fixed Assets—All material capital assets are recorded at cost and depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives, principally on a straight-line basis or a declining balance method which best suits many assets. The equipment is depreciated over 3-7 years life.

Income Taxes—The Chamber is a non-profit corporation organized to promote business and tourism in the Duchesne County area. The Chamber is exempt from federal, state and local taxes under section 501(c)(6) of the Internal Revenue Service Code. The Chamber did not have any unrelated income to report which would require payment of income tax.

Support and Revenue—The Chamber primarily receives its funding from Duchesne County by way of an annual contribution and the forwarding to the Chamber of restaurant and tourism tax collection.

Contributions and Dues—All contributions and dues are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Chamber had temporarily restricted net assets in 2008 and 2007 that had their restrictions satisfied by the year-end. The Chamber had no permanently restricted assets.

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Duchesne County Area Chamber of Commerce
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE B – CASH AND CASH EQUIVALENTS

The Chamber has the following funds in a checking account and savings accounts at December 31, 2008 and 2007.

	<u>2008</u>	<u>2007</u>
Checking Wells Fargo Bank	\$ 225,966	\$ 163,974
Savings Wells Fargo Bank	44,113	44,052
Total Cash	<u>\$ 270,079</u>	<u>\$ 208,026</u>

Duchesne County Area Chamber of Commerce invests all funds in depositories accepted by the Utah State Money Management Council. Duchesne County Area Chamber of Commerce's checking and savings are invested with Wells Fargo Bank which is insured by FDIC insurance. Checking and savings accounts are FDIC insured at each bank; therefore, \$20,079 in year 2008 and \$0 in year 2007 were at risk at year end. The Chamber also has no repurchase agreements or reverse repurchase payments as of the balance sheet date. The Chamber has no investments in securities or other investments.

NOTE C – CAPITAL STOCK AND PAID-IN-CAPITAL

The Chamber has no stock or paid-in-capital.

NOTE D – LONG TERM OBLIGATIONS

Duchesne County Area Chamber of Commerce has no long-term debt.

NOTE E – ASSETS AND EQUIPMENT

The Company has the following improvements and other fixed assets:

	<u>2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>2008</u>
Transportation Equipment	\$ 9,789	\$ -	\$ -	\$ 9,789
Furniture	2,779	-	-	2,779
Office Equipment	44,225	11,220	-	55,445
Accumulated Depreciation	(29,515)	(8,976)	-	(38,491)
Total Assets	<u>\$ 27,278</u>	<u>\$ 2,244</u>	<u>\$ -</u>	<u>\$ 29,522</u>



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**Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit
of Financial Statements Performed in Accordance With Government Auditing Standards**

Board of Directors, Duchesne County Area Chamber of Commerce
Duchesne County, Utah

We have audited the financial statements of Duchesne County Area Chamber of Commerce as of and for the year ended December 31, 2008, and have issued our report thereon dated May 29, 2009. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Duchesne County Area Chamber of Commerce's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Duchesne County Area Chamber of Commerce's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Chamber's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Chamber's internal control over financial reporting. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Aycock, Miles & Associates, CPAs

May 29, 2009